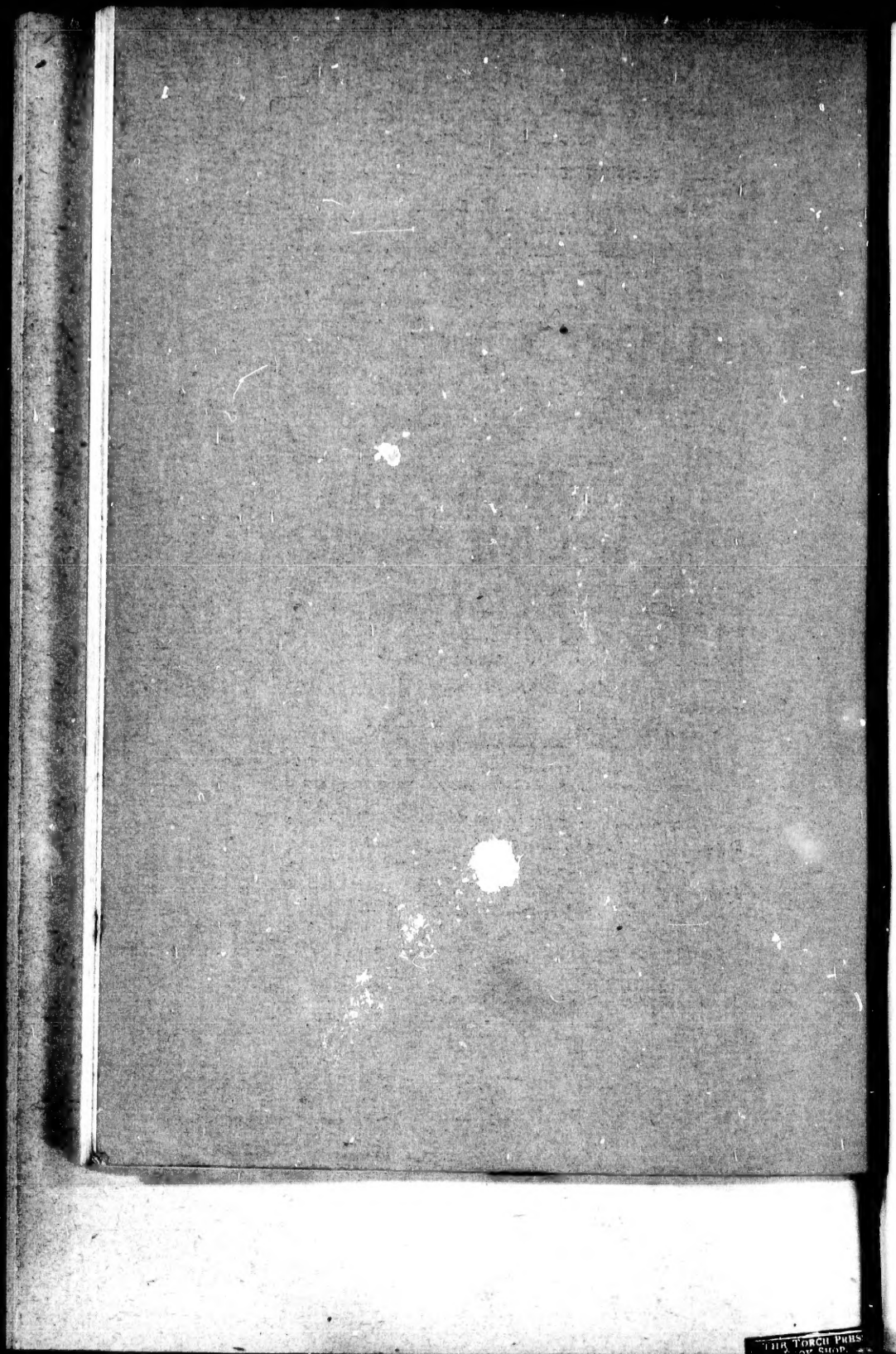




THE TORCH PRESS
NEW YORK

RECIPROCITY WITH CANADA.

AN ARGUMENT

Presented to the United States Members of the
United States and British Joint High
Commission, at Quebec, by the
NEW ENGLAND FREE TRADE LEAGUE.

The New England Free Trade League, through its president, mailed to the American members of the Joint High Commission at Quebec an argument in favor of reciprocity with Canada. The League asked for an opportunity to be heard, but was refused on the ground that "with a few important exceptions for special reasons" the commissioners would have no time to give hearings during its present session. The League, however, was allowed to submit its views in writing.

Following is the correspondence and argument in full:—

BOSTON, Sept. 14, 1898.

HON. CHANDLER P. ANDERSON, Secretary United States Commission,
Chateau Frontenac, Quebec, P.Q.:

Dear Sir,—By instruction of our Executive Committee, I respectfully apply to you, asking that a delegation from the New England Free Trade League may have a hearing before the distinguished commission of which you are secretary, in indorsement of measures of reciprocity.

Our delegation will be happy to wait upon the commission at any date which may suit the latter's convenience; and we should esteem it a great favor if you could reply soon, making an appointment for us.

Yours sincerely,

HENRY W. LAMB, *President.*

OFFICE OF THE UNITED STATES HIGH COMMISSIONERS,

QUEBEC, P.Q., Sept. 19, 1898.

HENRY W. LAMB, Esq., President New England Free Trade League,
66 State Street, Boston, Mass. :

Dear Sir,—Your letter of the 14th inst., requesting an opportunity for a hearing before the commission, has just been received by me. No hearings have been or can be had before the commissioners in their joint sessions. The commissioners, on the part of the United States, during the former session granted hearings to those interests which were represented here at that time. It was then decided, however, that during the coming session there would be no opportunity for further hearings, with a few exceptions made for special reasons. The reason of this is that the time of the commissioners is so fully occupied in joint session and between sessions that they are unable to find place for anything in addition. I will, however, bring to their attention your request; and, if they find it possible to make an exception, or in any way a suitable chance offers itself, I shall take pleasure in sending you word.

Very respectfully,

CHANDLER P. ANDERSON, *Secretary.*

BOSTON, Sept. 22, 1898.

HON. CHANDLER P. ANDERSON, Secretary United States High
Commissioners, Quebec, P.Q. :

Dear Sir,—Your favor of September 19th is at hand. You say it was decided that "there would be no opportunity for further hearings, with a few exceptions made for special reasons." A news despatch from Quebec, dated September 21, indicates that one of these exceptions is to be the Home Market Club of Boston. May I ask that you will do me the favor of informing me if this is correct? If so, it may seem to the commissioners that it would be fair and proper to make an exception in favor of this organization also.

Please accept my assurance that our utterance would be brief, and take but little of the time of the commissioners.

Yours truly,

HENRY W. LAMB, *President.*

OFFICE OF THE UNITED STATES HIGH COMMISSIONERS,

QUEBEC, P.Q., Sept. 26.

HENRY W. LAMB, Esq., President New England Free Trade League,
66 State Street, Boston, Mass. :

Dear Sir,— Your letter of the 22d inst., renewing your request for an opportunity for an oral hearing before the High Commissioners of the United States, has been received, and brought to their attention.

They regret exceedingly that their inability to make an exception in the case of your organization should be regarded by you as unfair to your interest, and they desired to have me state to you that their decision is based entirely upon the impossibility of devoting any additional time to oral hearings during the joint sessions of the commission. They further desire me to inform you that the hearing given the Home Market Club * of Boston was an exception made in fairness to the interests represented by that organization, because the Free Trade interests centering in Boston had already been given an extensive hearing at the former session of the commission.† It, therefore, does not seem to the commissioners that it is either unfair or improper, as you suggest, not to grant another hearing to similar interests at this time. They would be glad, however, to receive from your organization such printed or written statement of your position as you may desire to submit, and wish to have you understand that your views will have a more careful consideration if expressed in that form than would be possible at a brief oral hearing.

Respectfully yours,

CHANDLER P. ANDERSON, *Secretary.*

BOSTON, October 4.

Hon. CHANDLER P. ANDERSON, Secretary United States High Commissioners, Quebec, P.Q. :

Dear Sir,— Your favor of the 26th ult. is at hand, explaining why the secretary of the Home Market Club was given an opportunity to oppose reciprocity before the commission, and kindly offering to receive from us such a written statement of our position as is enclosed herewith.

With great respect, I am yours sincerely,

HENRY W. LAMB,

President New England Free Trade League.

* September 22, 1898.

† An argument in favor of reciprocity was made before the Commission by a Committee of the Boston Chamber of Commerce.

WHY TARIFF BARRIERS SHOULD BE REMOVED.

BOSTON, October 4.

UNITED STATES HIGH COMMISSIONERS, Quebec :

By vote of the Executive Committee of the New England Free Trade League, I respectfully urge that the American members of the High Commission endeavor to secure measures of commercial reciprocity with Canada, in the interest of the people of the United States.

Public attention in this country is rapidly turning toward the extension of our foreign trade, and every promise of a wider market is received with decided expressions of popular approval. Canada now offers one of the best opportunities for permanently increasing our trade,—an opportunity so good and so sure to be profitable that it would be well worth our while to pay something for it. Yet what will it cost the people of the United States to obtain the Canadian tariff concessions needed to increase our trade with the Dominion of Canada? Nothing. All that is required is tariff concessions by the government of the United States, and every one of those concessions would in itself be a positive benefit to our own people.

The people of the United States desire to trade with the people of Canada, and they need Canadian products. The desire and the need are so strong, and they are so strongly returned, that in spite of tariff barriers there has been a large commerce between the countries. That these tariff barriers obstruct American producers and burden American consumers must be admitted by every one,—even by those who, when we import, think that “the foreigner pays the tax.” For if, in some exceptional cases, a Canadian producer pays the tax on goods sent across the border, then so must an American producer in similar cases; while, when our tariff on an article is so high as to keep us from importing it, the Canadian certainly does not pay the tax. The American consumer must then pay it in the increased price he is forced to give for domestic products. Whether he thus pays a tax which amounts to the full tariff rate or only to a part of it depends upon circumstances with which tariffs have little directly to do.

RECIPROCITY POPULAR.

It is beyond question that the American people would welcome the removal of all these barriers if accomplished by a political union with Canada. Apart from all other considerations, the belief that

the annexation of Canada would be good for our trade is so strong among our people that they would give it their enthusiastic approval. There would be complaints from those who now are given special privileges by our tariff; but they would be unable to stand against the overwhelming conviction among us,—not only that we and the Canadians ought, then, to trade like one people, but that it would greatly benefit us both to do so. If all tariff barriers to the free exchange of American and Canadian products should be completely removed by treaty instead of by annexation, substantially the same trade benefits to both people would result.

We understand, however, that such a complete removal is not now under consideration. We believe it is now proposed that each side shall remove a portion of its own barriers on condition that a portion of the barriers shall be removed on the other side. This is called "reciprocity,"—a policy which one great political party in the United States has enthusiastically praised and against which the other has said very little. It has already been recommended to your honorable commission by delegations authorized to represent chambers of commerce and boards of trade in our large cities, and indorsed by many other such bodies all over the United States. The opposition to it is not general, but comes from special interests that are favored by the tariff barriers to trade, and are unwilling to part with their privileges. There is a most important difference between those interests, on one side, that urge reciprocity because they expect to profit by it and those, on the other, that oppose it because they expect it will interfere with their profits. The former seek their profits in a benefit to all our people, while the latter seek solely their own profit at the people's expense.

THE FARMERS' INTERESTS.

One apparent exception has appeared in the hearings before your commission. One delegation claimed to represent the general opposition of a very large class, the farmers of the United States. I ask attention to what their spokesman is reported to have said, for it offers a good example of what some sincere opposition to reciprocity is based upon.

According to reports in the Boston papers of September 23, he said:—

"We speak for all the farmers of every State in the Union, and in all of the States they are opposed to any change being made in the present duties on agricultural products. . . . This interest [the agricultural industry] should not be sacrificed."

BARLEY, EGGS, VEGETABLES, AND FRUIT.

He instanced especially the duties on barley, eggs, vegetables, and fruit. There are no recent statistics that would show the effect of a complete removal of these duties, but this gentleman expressed opposition to any change in the present duties; and recent statistics are easily accessible that will show the extent to which the agricultural industry would be affected, if the present duties were changed under reciprocity to rates as low as those of the preceding tariff. The record of a partial change will indicate something of the effect of a greater change or even of a complete removal. *Commerce and Finance*, issued monthly by the United States Treasury Department, gives our total exports and imports, and our exports to Canada and imports from Canada during two fiscal years, 1893 and 1894, under the McKinley tariff, and the three years 1895, 1896, and 1897 under the lower Wilson tariff. These tables, and the last United States census show:—

First, that the change in duties on these products had little effect upon our imports.

Second, that, in some of the instances named, our people in the years of the lower duties actually imported less than our farmers sold the Canadians.

Third, that the amount of these imports could not affect the farmers as a class; for it was but an insignificant trifle compared with the total American product of the article specified.

DETAILED FACTS.

Our imports of Canadian barley in 1893, under the higher duties, were almost exactly equal in quantity to our imports in 1895, under the lower duties, and were much greater than our imports under the lower duties in 1896 and 1897. This, with the fact that our total exports of barley to all countries in 1897 were six times our total imports, would indicate that Canadian barley is desired by Americans for special purposes on account of its flavor. Our import of Canadian barley during the last two years of lower duties averaged a fraction over 1 per cent. of the total American product of barley in our last census year.

As for eggs, in no year of the lower duties were our imports from Canada equal to those in 1893 under the higher duties. In 1897 Canadians actually paid us more for eggs than we paid them. But

what did the import of Canadian eggs in 1897 amount to, after all? What proportion did it bear to the total egg product of the United States? Was it 1 per cent.? It was not even one-tenth of 1 per cent.: it was about one-half of one-thousandth part of the American egg product in the census year.

During the three years of the lower duties the yearly average of our imports of vegetables from Canada was less than in the two years under the higher duties. This is true also of the single item of beans and dried peas, which the Canadian tables of imports, unlike the American, do not include under the list of vegetables. Omitting that item (of which our total exports exceed our total imports), our farmers in the last two years of the lower duties sold the Canadians more vegetables than they sold us. Potatoes constitute a large part of the vegetables, yet the difference in the duty does not affect their importation in seasons when our people, even our farmers, need them; for in the first year of the present duties, ending July 30, 1898, our total imports of potatoes from all countries were about three times our imports of potatoes in the year ending July 30, 1897, under the lower duties. But the total imports, as in the case of eggs, sink out of sight in comparison with the total product of our country.

As to fruits, the state of the case is similar. Our imports from Canada were actually smaller in the years of lower duties than in the years of higher duties; and our Canadian trade during the years of lower duties was strikingly in favor of our producers, for they sold the Canadians about twice as much as we imported from them.

When these facts are presented to American farmers, it is incredible that they should offer opposition to any measures of reciprocity which your commission may recommend or that they should think that the interests of the American farmers, as a class, would be unfavorably affected to any appreciable extent. Like the vast majority of American consumers, they would share in the benefits of a wider market in which both to sell and to buy.

A PATRIOTIC DUTY.

An eminent United States senator, holding protectionist views, assured our people a few years ago that the relief which we sought through changes in tariff legislation would probably soon be afforded by measures of commercial reciprocity. If your commission should justify his prediction, its action would receive hearty approval on all

sides, both from those who share his tariff views and from those who, like our organization, differ radically from them. For, in whatever manner the good is brought about, it would be the duty of patriotic citizens to join hands in support of every step in the right direction, even a partial removal of the obstacles which now restrict both our buyers and our sellers, often diminish revenue, and constantly tend to demoralize both those who ask for laws and those who make them.

HENRY W. LAMB,

President New England Free Trade League.

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